

THE TORONTO STOCK EXCHANGE

4/7/68

FILING STATEMENT NO. 1630.
FILED, AUGUST 20th, 1968.

CALVERT-DALE ESTATES LIMITED

Incorporated under the ^{Full corporate name of Company} Corporations Act (Ontario)
by Letters Patent dated October 20, 1961.

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	<p>This Statement is filed with respect to the Financing and Management Plan (the "Plan") of Calvert-Dale Estates Limited (the "Company") which was passed and adopted by the directors of the Company on May 28, 1968 and which was approved, ratified, sanctioned and confirmed by the shareholders of the Company on June 26, 1968. Particulars of the Plan are set forth in Exhibit "A" to the Information Circular of the Company dated as of June 10, 1968. Extracts from the said Information Circular relating to the Plan are annexed hereto as Schedule 1.</p> <p>(See Schedule "1" on pages 3 and 4.)</p>														
2. Head office address and any other office address.	12 Vodden Street, Brampton														
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	SEE SCHEDULE 2 (See Schedule "2" on pages 5 and 6.)														
4. Share capitalization showing authorized and issued and outstanding capital.	<p>Authorized capitalization - 1,000,000 shares without par value, of which 625,007 shares are presently issued and outstanding. The Company is proceeding to make application for Supplementary Letters Patent in the terms of the special resolution which is set forth as Exhibit "B" to the Information Circular of the Company dated as of June 10, 1968. See Schedule I.</p> <p>(See Schedule "1" on pages 3 and 4.)</p>														
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	<p>As at June 26, 1968 the following were outstanding:</p> <p>A. Mortgages:</p> <table> <tr> <td>(i) 7½% due January 1, 1980, payable \$8,500. quarterly</td> <td>\$363,452.</td> </tr> <tr> <td>(ii) 7½% due January 1, 1980, payable \$6,500. quarterly</td> <td>299,573.</td> </tr> <tr> <td>(iii) 6% due January 1, 1975, payable \$50,000. annually</td> <td>350,000.</td> </tr> </table> <p>B. Convertible Debentures:</p> <table> <tr> <td>(i) 7½% sinking fund debentures maturing December 15, 1976, annual sinking fund instalment of \$20,000.</td> <td>270,000.</td> </tr> <tr> <td>(ii) 7% subordinated debentures maturing October 1, 1974</td> <td>150,000.</td> </tr> </table> <p>C. Notes Payable:</p> <table> <tr> <td>6% repayable \$5,000. in each of the years 1968 to 1973</td> <td>30,000.</td> </tr> </table> <p>D. Bank Loan:</p> <table> <tr> <td>repayable \$25,000. each year to 1972, balance payable September 3, 1973</td> <td>250,000.</td> </tr> </table>	(i) 7½% due January 1, 1980, payable \$8,500. quarterly	\$363,452.	(ii) 7½% due January 1, 1980, payable \$6,500. quarterly	299,573.	(iii) 6% due January 1, 1975, payable \$50,000. annually	350,000.	(i) 7½% sinking fund debentures maturing December 15, 1976, annual sinking fund instalment of \$20,000.	270,000.	(ii) 7% subordinated debentures maturing October 1, 1974	150,000.	6% repayable \$5,000. in each of the years 1968 to 1973	30,000.	repayable \$25,000. each year to 1972, balance payable September 3, 1973	250,000.
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6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	Under the terms of the Financing and Management Plan the Company proposes to issue to each of Mr. Roy A. Nicholson and Mrs. Jane K. Pierson, or as they may direct, as fully paid and non-assessable 100,000 shares without par value of the Company, all of which shares shall by appropriate instrument be placed and held in escrow until June 30, 1970. In this regard see Schedule I and in particular, Exhibit "A" thereto. (See Schedule "1" on pages 3 and 4.)
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	The names and addresses of the persons having an interest in the aforesaid 200,000 shares proposed to be issued are as follows: Mr. Roy A. Nicholson - 851 Falcon Blvd., Burlington, Ont. Mrs. Jane K. Pierson, - 26 June Street, Brampton, Ontario. No assignment is contemplated at the present time.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	There are no payments in cash or securities of the Company made or to be made to any promoter or finder.
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	There will be no proceeds resulting from the issue of the said 200,000 treasury shares. The new management which the Company will obtain under the terms of the Plan and the additional \$300,000. of financing which will be available from the Company's bank will, it is hoped, enable the Company to carry on its business on a more profitable basis than in the past. It is normal for the Company to satisfy its current working capital requirements through bank financing. It is the intention of the Company to bring its bank financing into line with normal seasonal requirements as soon as circumstance permit. A copy of the semi-annual report of the Company for the six months ended December 31, 1967 is annexed hereto as Schedule 5.
10. Brief statement of company's chief development work during past year.	The Company is continuing to carry on and transact its business of the growing, importing, buying and selling, both at wholesale and retail, of flowers, bulbs, vegetables, seeds, plants of all kinds and florists' and garden supplies.
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	Not Applicable
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	See Item 7
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	Pursuant to paragraph 4 of the Plan, the 200,000 treasury shares proposed to be issued will, by appropriate instrument, be placed and held in escrow until June 30, 1970. All of the said 200,000 shares will, together with 150,000 of the presently outstanding shares, become subject to a voting trust, reference to which is made in the annexed Schedule 1. (Schedule "1" on pages 3 and 4.)
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	See Items 7, 12 and 13
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	(See Schedule "4" on page 7.)

SCHEDULE 1

(Extracts from the Information Circular of the Company dated as of June 10, 1968)

Mr. Roy A. Nicholson has a material interest in the Plan as he will receive 100,000 treasury shares of the Company if the Plan is approved by the shareholders and implemented. Mr. Wallace R. Pierson, Jr. also has a material interest in the Plan and he will, if the Plan is approved by the shareholders and implemented, also receive 100,000 treasury shares of the Company, his wife, Mrs. Jane K. Pierson having indicated that she proposes to direct in writing that the 100,000 treasury shares to be issued in consideration for her Bank guarantee be issued to Mr. Wallace R. Pierson, Jr. Mr. Pierson will then be the beneficial owner of approximately 12.1% of the outstanding equity shares of the Company. The attention of all shareholders is directed to those parts of the Plan which provide for the employment of Mr. Pierson as General Manager of the Company and for cognizance of the existence of the voting trust agreement.

Background of the Plan

During the six month period ended December 31, 1967 the Company sustained a loss of \$159,000., and at that date had a working capital deficit of \$190,000. Operations since January 1, 1968 indicate that, discounting the seasonal nature of the business, the operating loss for the full current fiscal year of the Company which will end on June 30, 1968 will be approximately \$200,000.

On May 9, 1968 the Company's banker withdrew its support and made demand for payment. It was apparent that unless some immediate remedial action was taken, there was a very strong likelihood that the Company would be put into receivership and liquidation. To save the Company from liquidation under receivership and in order to obtain new management for the Company, the Financing and Management Plan (the "Plan") was passed and adopted by the board of directors of the Company on May 28, 1968. Annexed hereto as Exhibit "A" is a copy of the Plan which is being submitted to the shareholders for approval.

The purpose and principal effects of the Plan are, firstly, that the Bank will withdraw its demand for payment, secondly, that the Company will receive an additional \$300,000. of bank financing, and thirdly, that the Company will obtain new management. The Plan has been presented to and concurred in by the Bank and by the guarantors. The guarantors executed and delivered their respective guarantees to the Bank on May 28, 1968, immediately following the meeting of the board of directors of the Company which was held on that date. Management considers that the additional \$300,000. of financing which will now be available from the Bank will be adequate to carry on the business of the Company, and it is hoped, on a more profitable basis than in the past.

If the Plan is approved by the shareholders, it will be necessary for the Company to make application for Supplementary Letters Patent increasing its authorized capital as the Company does not have sufficient unissued treasury shares to carry out the requirements of paragraph 4 of the Plan. The special resolution in this regard, in respect of which confirmation is required from the shareholders, is annexed hereto as Exhibit "B".

The new General Manager of the Company, Mr. Wallace R. Pierson, Jr. is 51 years of age, married, a graduate of Harvard College, third generation florist and for the past 29 years has been active in the family business of A. N. Pierson, Inc. of Cromwell, Connecticut. From 1946 through August, 1967 he was the Treasurer and General Manager and chief executive officer of this corporation. The Pierson firm engages in growing crops similar to those of Calvert-Dale and also operates 9 wholesale florist establishments. The similarity of his former activity to his new position in Calvert-Dale makes him ideally suited to be the new General Manager. He has wide trade affiliations, having served as President of New York Florist Club and Roses Incorporated, and presently is serving as President of the Society of American Florists and has been nominated for an additional term beginning in July.

Under the management contract which has been entered into between the Company and Mr. Pierson (see paragraph 5 of the Plan), Mr. Pierson has the general management and direction, subject to the authority of the board, of the Company's business and affairs and the power to appoint and remove any and all officers, employees and agents of the Company not elected or appointed directly by the board and to settle the terms of their employment and remuneration. He has the responsibility for and supervision of all business carried on by the Company.

Under the voting trust agreement which is referred to in paragraph 6 of the Plan Mr. Pierson will have the power to cause a majority of the board of directors of the Company to be elected and Mr. Nicholson will have the power to cause the balance of the board to be elected.

Additional Information and Further Disclosure

Pursuant to the by-laws of the Company, a quorum of the meeting will be constituted by the presence of not less than two (2) shareholders present in person holding or representing by proxy not less than 25% of the issued shares of the Company. The approval of the Plan will require the favourable vote of a majority of the votes cast at the meeting. Confirmation of the special resolution will require a majority of at least two-thirds (2/3) of the votes cast at the meeting. In the event that the Plan is not approved by the shareholders, then the special resolution will not be presented for confirmation.

In addition to the information set forth under the heading "Interest of Management in Material Transactions" it is pointed out that Mr. Nicholson and Mr. Pierson, who are directors of the Company, have each disclosed their respective interests and have refrained from voting upon the adoption of the Plan, the passing of the special resolution and all other matters relating to the Plan in which they or either of them had any interest, when such matters were dealt with and passed by the board of directors of the Company on May 28, 1968. They have both indicated that they propose to vote in favour of all such matters at the forthcoming general meeting of shareholders.

EXHIBIT "A"

FINANCING AND MANAGEMENT PLAN

(herein referred to as the "Plan")

1. Mr. Roy A. Nicholson, the President of the Company, shall, forthwith upon the approval and adoption of this Plan by the board of directors of Calvert-Dale Estates Limited (the "Company"), execute and deliver a guarantee in favour of the Company's banker (the "Bank") pursuant to which he will guarantee, to the extent of \$200,000., the due payment and discharge to the Bank of all liabilities of the Company, howsoever incurred, to the Bank, on the Bank's form of guarantee.
2. Mr. Wallace R. Pierson, Jr., a director of the Company, shall, forthwith upon the approval and adoption of this Plan by the board of directors of the Company, execute and deliver or cause to be executed and delivered a guarantee in favour of the Bank guaranteeing to the extent of \$300,000. the due payment and discharge to the Bank of all liabilities of the Company, howsoever incurred, to the Bank, on the Bank's form of guarantee.
3. Upon the execution and delivery of the aforesaid guarantees in the aggregate amount of \$500,000. the Bank shall withdraw its demand for payment and shall extend further Bank support to the Company to the extent of an additional \$300,000.
4. In consideration for the aforesaid guarantees the Company shall issue to each of the guarantors, or as they may direct, as fully paid and non-assessable, 100,000 shares without par value of the Company, all of which shares shall by appropriate instrument be placed and held in escrow until June 30, 1970. The Company shall take all corporate action necessary to obtain Supplementary Letters Patent increasing its authorized capital, shall allot and issue the said shares and shall apply for the listing of the said shares on The Toronto Stock Exchange.
5. Mr. Wallace R. Pierson, Jr. is to be appointed General Manager of the Company and shall enter into a management contract for the period from May 28, 1968 to June 30, 1970.
6. The Company shall take cognizance of a voting trust agreement dated the 28th day of May, 1968 between Canada Permanent Trust Company, Roy A. Nicholson, Wallace R. Pierson, Jr. and other shareholders who become parties to the said agreement as subscribers thereto, pursuant to which approximately 350,000 shares without par value of the Company shall become subject to a voting trust.
7. This Plan is subject to and conditional upon
 - (a) a favourable ruling being obtained from the Ontario Securities Commission under Section 59 of The Securities Act that the issuance of the said 200,000 shares would not be in the course of primary distribution to the public;
 - (b) the acceptance by the Board of Governors of The Toronto Stock Exchange under Section 1 of by-law no. 62 of The Toronto Stock Exchange of notice by the Company of the proposed creation and issuance of 200,000 treasury shares in implementation of this Plan;
 - (c) the adoption and approval of this Plan by the shareholders of the Company at a general meeting of shareholders; and
 - (d) the confirmation by the shareholders of the Company of a special resolution authorizing the Company to make application to the Lieutenant Governor of the Province of Ontario for Supplementary Letters Patent increasing the authorized capital of the Company.
8. The directors and officers of the Company be and are hereby authorized to do, sign and execute all things, deeds and documents necessary or desirable for the due carrying out of the Plan.

EXHIBIT "B"

CALVERT-DALE ESTATES LIMITED

RESOLVED, as a special resolution, that:

1. The Company be and is hereby authorized to make application to the Lieutenant Governor of the Province of Ontario for Supplementary Letters Patent increasing the authorized capital of the Company by creating an additional 500,000 shares without par value ranking on a parity with the existing 1,000,000 shares of the Company, provided that the 1,500,000 shares shall not be issued for a consideration exceeding in amount or value the sum of \$2,750,000. or such greater amount as the board of directors of the Company deems expedient on payment to the Treasurer of Ontario of the fees payable on such amount and on the issuance by the Provincial Secretary of a certificate of such payment.
2. The directors and officers be and they are hereby authorized to do, sign and execute all things, deeds and documents necessary or desirable for the due carrying out of the foregoing.

SCHEDULE 2

Names, addresses and chief occupations of the incumbent officers and directors of Calvert-Dale Estates Limited.

Chairman of the Board,
President and Director

- Mr. Roy A. Nicholson,
851 Falcon Boulevard,
Burlington, Ontario.

General Manager of the Company from
May, 1967 to May, 1968. President of
Roy A. Nicholson Limited and Ranco
Container Products Limited.

General Manager and Director

- Mr. Wallace R. Pierson, Jr.,
26 June Street,
Brampton, Ontario.

Treasurer and General Manager of A.N.
Pierson Incorporated, Cromwell,
Connecticut, until August, 1967.

Vice-President and Director

- Miss Pierrette Marsolais,
1212 Pine Avenue West,
Montreal 2, Quebec.

Manager of the Quebec operations of
the Company.

Treasurer and Assistant
General Manager

- Mr. William J. Walker, C.A.,
49 Parkview Place,
Brampton, Ontario.

Controller

- Mr. George D. Stephens, C.A.,
7 Haslemere Avenue,
Brampton, Ontario.

Secretary and Director

- Mr. Arthur H. Zaldin, Q.C.,
32 Heathdale Road,
Toronto 10, Ontario.

Senior member of the legal firm of
Zaldin and Fine.

Director

- Mr. W. A. Beatty,
150 Cornwall Heights,
Brampton, Ontario.

Employee of the Company.

Director

- Mr. James A. Crawford, C.A.,
28 Grande Avenue,
Stoney Creek, Ontario.

Director and Secretary-Treasurer of
Roy A. Nicholson Limited and Ranco
Container Products Limited.

Director

- Mr. Matthew Gaasenbeek,
7 Harrowby Court,
Islington, Ontario.
Investment dealer.

Director

- Mr. Philip Latchman,
400 Walmer Road,
Toronto 4, Ontario.

President and General Manager of
Federal Farms Limited.

Director

- Mr. B.R.P. MacKenzie, Q.C.,
73 Riverwood Parkway,
Toronto 18, Ontario.

Senior member of the legal firm of
Fasken & Calvin.

Director

- Mr. W. Vernon Smith, C.A.,
88 Sterling Street,
Hamilton, Ontario.

Chartered Accountant. Senior member of
Smith, Nicholson and Lane, Chartered
Accountants.

The following changes in the officers and directors of

the Company took place on May 28, 1968:

- (a) Mr. T.A.W. Duncan resigned as a director, and Mr. Wallace R. Pierson, Jr. was appointed a director in his place and stead.
- (b) Mr. Roy A. Nicholson resigned as General Manager of the Company, and Mr. Wallace R. Pierson, Jr. was appointed General Manager of the Company in his place and stead.
- (c) The Executive Committee of the board of directors of the Company was increased from four to five, Mr. Roy A. Nicholson resigned as Chairman of the Executive Committee and Mr. Wallace R. Pierson, Jr. was appointed Chairman of the Executive Committee. The Executive Committee now consists of Messrs. Wallace R. Pierson, Jr., Roy A. Nicholson, Matthew Gaasenbeek, Philip Latchman and Arthur H. Zaldin. Mr. Wallace R. Pierson, Jr. is Chairman of the Executive Committee and Mr. Arthur H. Zaldin is Secretary of the Executive Committee.

SCHEDULE 4

Names, addresses and shareholdings of the five largest registered shareholders.

<u>NAME AND ADDRESS</u>	<u>SHARES HELD</u>
Roy A. Nicholson, c/o Roy A. Nicholson Limited, 1124 Northside Road, Burlington, Ontario.	151,800
Annett Partners Limited, 11 King Street West, Toronto, Ontario.	48,556
Federal Farms Limited, P. O. Box 428, Bradford, Ontario.	30,000
J. H. Crang & Co., 20 King Street West, Toronto, Ontario.	25,900
Graham W. Snelgrove, 799 Barton Street West, Hamilton, Ontario.	21,000

The Company has no knowledge as to the beneficial ownership names of Annett Partners Limited and J. H. Crang & Co. of any of the shares registered in the/ When the said 200,000 treasury shares are issued, Mrs. Jane K. Pierson will receive 100,000 of such treasury shares and will become one of the five largest registered shareholders.

Under a voting Trust Agreement dated the 28th day of May, 1968, the said 200,000 treasury shares and 150,000 of the shares presently owned by Mr. Roy A. Nicholson will become subject to a voting trust, to which reference is made in paragraph 6 of the Plan and elsewhere in the Information Circular. The said 200,000 treasury shares are to be escrowed until June 30, 1970, as provided in paragraph 4 of the Plan.

CALVERT-DALE ESTATES LIMITED

COMPARATIVE BALANCE SHEET

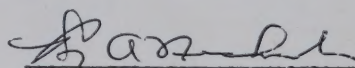
MAY 31, 1968

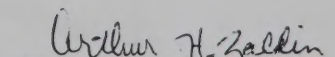
	<u>June 30,</u> <u>1967</u>	<u>April 30,</u> <u>1968</u>	<u>May 31,</u> <u>1968</u>
CURRENT ASSETS			
Cash	\$ 17,620	\$ 4,130	\$ 4,130
Accounts receivable	815,500	693,887	736,910
Inventories	607,146	550,975	489,900
Prepays	<u>24,383</u>	<u>16,380</u>	<u>22,481</u>
Total current assets	<u>1,464,649</u>	<u>1,265,372</u>	<u>1,253,421</u>
CURRENT LIABILITIES			
Bank indebtedness	783,193	927,656	793,147
Accounts payable & accrued	475,345	669,201	640,473
Current debt payments	<u>160,000</u>	<u>160,000</u>	<u>160,000</u>
Total current liabilities	<u>1,418,538</u>	<u>1,756,857</u>	<u>1,593,620</u>
WORKING CAPITAL	46,111	(491,485)	(340,199)
MORTGAGES RECEIVABLE	291,358	289,358	289,358
FIXED ASSETS (less accumulated depreciation)	1,899,076	1,896,108	1,888,505
OTHER ASSETS AND DEFERRED EXPENSES	<u>130,152</u>	<u>113,188</u>	<u>110,187</u>
	<u>\$2,366,697</u>	<u>\$1,807,169</u>	<u>\$1,947,851</u>
LONG TERM LIABILITIES	\$1,754,686	\$1,603,486	\$1,603,486
SHARE CAPITAL	1,358,757	1,358,757	1,358,757
CONTRIBUTED SURPLUS	7,500	7,500	7,500
DEFICIT	(754,246)	(753,899)	(753,946)
PROFIT(LOSS) TO DATE	<u> </u>	<u>(408,675)</u>	<u>(267,946)</u>
	<u>\$2,366,697</u>	<u>\$1,807,169</u>	<u>\$1,947,581</u>

CERTIFICATE

We hereby certify that the unaudited consolidated Balance Sheet of Calvert-Dale Estates Limited, as at May 31, 1968, presents, to the best of our knowledge and belief, a true and correct view of the financial position of the company as at that date, and that the unaudited consolidated Statements of Income, Deficit and Source and Application of Funds for the eleven months ended May 31, 1968 reflects, to the best of our knowledge and belief, the operations of the Company for the period.

Dated this 26th day of June, 1968.


Roy A. Nicholson, Director


Arthur H. Zaldin, Director

CALVERT-DALE ESTATES LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MAY 31, 1968

1. SUBSIDIARY COMPANIES CONSOLIDATED.

The consolidated financial statements reflect the combined financial position and operations of Calvert-Dale Estates Limited and its wholly-owned inactive subsidiary companies, Dales of Brampton Limited, H. C. McKinney, Ltd. and Growers' Wholesale Florists Inc.

2. MORTGAGES RECEIVABLE.

5½% due February 1, 1973	\$268,358
7% due \$2,000 each year to 1969, balance due September 1, 1970	<u>21,000</u>
	<u>\$289,358</u>

3. FIXED ASSETS

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>
Land	\$ 805,743	\$	\$ 805,743
Buildings	1,276,323	335,359	940,964
Machinery & equipment	242,919	154,039	88,880
Motor vehicles	118,133	84,246	33,887
Roadways	<u>21,924</u>	<u>2,893</u>	<u>19,031</u>
	<u>\$2,465,042</u>	<u>\$ 576,537</u>	<u>\$1,888,505</u>

Subsequent to the balance sheet date, land having a book value of \$100,646 was sold for \$214,534, of which \$164,075 was taken in 5-year 7½% mortgages receivable.

4. BANK INDEBTEDNESS

The bank indebtedness of \$793,147 is secured by a general assignment of book debts, crops pledged under Section 88 of the Bank Act, a floating charge debenture, and a collateral mortgage on the company's real estate, subordinated to prior mortgages.

There is outstanding a mortgage bond in the amount of \$300,000 which has been hypothecated with the bank as collateral security for the long term bank loan referred to in note 5 below. Under certain circumstances the bank has the right to require earlier repayment of this loan. The principal repayment of \$25,000 due September 3, 1968 has been waived.

5. LONG TERM DEBT.

	<u>Original Borrowing</u>	<u>Outstanding.</u>
Mortgages		
7½% due January 1, 1980, payable \$8,500 quarterly	\$ 500,000	\$ 391,486
7½% due January 1, 1980, payable \$6,500 quarterly	400,000	322,000
6% due January 1, 1975, payable \$50,000 annually	500,000	350,000
Convertible debentures		
7½% sinking fund debentures maturing December 15, 1976, annual sinking fund instalment of \$20,000	350,000	270,000
7% subordinated debentures maturing October 1, 1974	150,000	150,000
Notes payable		
6% repayable \$5,000 in each of the years 1969 to 1973	50,000	30,000
Bank loan		
Repayable \$25,000 each year to 1973, balance payable September 3, 1973 (note 4)	<u>300,000</u> <u>\$2,250,000</u> =====	<u>250,000</u> <u>\$1,763,486</u> =====
Less amount due within one year, included in current liabilities		<u>160,000</u> <u>\$1,603,486</u> =====

Convertible debentures

The 7½% sinking fund debentures may be called for redemption at a premium of 4% until December 15, 1968 and thereafter at premiums declining annually by ½ of 1% until December 15, 1975 after which date they are redeemable at the principal amount. These debentures are convertible at the holder's option into shares of the company at \$5 per share until December 15, 1971 and \$7 per share thereafter until December 14, 1976.

The 7% subordinated debentures may be called for redemption at a premium of 3½% until September 30, 1968 and thereafter at premiums declining annually by ½ of 1% until September 30, 1973 after which date they are redeemable at the principal amount. These debentures are convertible at the holder's option into shares of the company at \$1.50 per share until September 30, 1974.

The conversion prices are subject to adjustment in certain eventualities.

6. CAPITAL STOCK.

a) Reservation of shares

150,000 shares are reserved for possible issue upon the exercise of warrants presently outstanding. Such warrants entitle the holders thereof to purchase shares at a price of \$5 per share until December 15, 1970, the expiry date.

154,000 shares are reserved for possible conversion of the debentures referred to in note 5.

12,000 shares are reserved for possible issue upon the exercise of stock options granted to certain employees of the company, at a price of \$2.60 per share exercisable before June 25, 1968. No options have been exercised since June 30, 1967.

b) Under the terms of a financing and management plan approved by the directors and ratified at a meeting of the shareholders on June 26, 1968, the company agreed to issue 100,000 fully paid and non-assessable shares to each of two directors in consideration for guarantees totalling \$500,000 provided with respect to the company's bank indebtedness. These shares will be held in escrow until June 30, 1970.

c) On July 2, 1968 the company obtained supplementary letters patent increasing the authorized capital by creating an additional 500,000 shares without par value, ranking on a parity with the existing 1,000,000 shares.

7. LONG TERM LEASES

Under contractual obligations with respect to leased premises the company is committed to aggregate annual rentals of approximately \$89,300 to 1975 and \$79,300 thereafter to 1986.

8. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS.

Total direct remuneration of directors and senior officers (as defined under the Corporations Act, Ontario) amounted to \$92,320 since June 30, 1967, including \$1,050 paid as directors' fees.

16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	The only presently registered shareholder whose shareholding is large enough to materially affect control of the Company is Mr. Roy A. Nicholson (see item 15). When the proposed issue of 100,000 treasury shares to each of Mr. Nicholson and Mrs. Jane K. Pierson, has been completed, Mrs. Pierson's shareholding will also be large enough to materially affect control of the Company. Mr. Wallace R. Pierson, Jr. will have the right to vote the shares in the voting trust.
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	The Company has three wholly owned subsidiaries, namely, Dales of Brampton Limited, H. C. McKinney, Ltd. and Growers' Wholesale Florists Inc. Save as aforesaid the Company does not have any investments in the shares or other securities of other companies.
18. Brief statement of any lawsuits pending or in process against company or its properties.	There are no lawsuits pending or in process against the Company or its properties.
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	There are no material contracts entered into with respect to the Plan which are not disclosed or referred to in the Information Circular (Schedule I).
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	The Ontario Securities Commission made a ruling on May 24, 1968 under Section 59 of The Securities Act that the issuance and allotment of the 200,000 treasury shares would not constitute primary distribution to the public. There are no other material facts, and no shares of the Company are in the course of primary distribution to the public.

DATED June 26, 1968

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

CALVERT-DALE ESTATES LIMITED

"R.A. Nicholson"
"A.H. Zaldin"

Per:

[Signature] CORPORATE
(ROY A. NICHOLSON) - SEAL
[Signature] President
(ARTHUR H. ZALDIN) - Secretary

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

